

1 AN ACT

2 relating to the board of directors and powers and duties of the East
3 Montgomery County Municipal Utility District No. 12; providing
4 authority to issue bonds; providing authority to impose
5 assessments, fees, and taxes.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 8116.002, Special District Local Laws
8 Code, is amended to read as follows:

9 Sec. 8116.002. NATURE AND PURPOSES OF DISTRICT. (a) The
10 district is [~~a municipal utility district in Montgomery County~~]
11 created to serve a public purpose and benefit [~~under and essential~~
12 ~~to accomplish the purposes of Section 59, Article XVI, Texas~~
13 ~~Constitution~~].

14 (b) The district is created to accomplish the purposes of:

15 (1) a municipal utility district as provided by
16 general law and Section 59, Article XVI, Texas Constitution; and

17 (2) Section 52, Article III, Texas Constitution, that
18 relate to the construction, acquisition, improvement, operation,
19 or maintenance of macadamized, graveled, or paved roads, or
20 improvements, including storm drainage, in aid of those roads.

21 SECTION 2. Section 8116.051(b), Special District Local Laws
22 Code, is amended to read as follows:

23 (b) Except as provided by Section 8116.053, directors
24 [~~Directors~~] serve staggered four-year terms.

1 SECTION 3. Subchapter B, Chapter 8116, Special District
2 Local Laws Code, is amended by adding Section 8116.053 to read as
3 follows:

4 Sec. 8116.053. TEMPORARY DIRECTORS. (a) The temporary
5 board consists of:

6 (1) Larry Williams;

7 (2) Rachel Maybray;

8 (3) Michael Others;

9 (4) Virginia French; and

10 (5) Valerie Mullan.

11 (b) Temporary directors serve until the earlier of:

12 (1) the date permanent directors are elected at an
13 election held under Section 49.102, Water Code; or

14 (2) the fourth anniversary of the effective date of
15 the Act enacting this section.

16 (c) If permanent directors have not been elected at an
17 election held under Section 49.102, Water Code, and the terms of the
18 temporary directors have expired, successor temporary directors
19 shall be appointed or reappointed as provided by Subsection (d) to
20 serve terms that expire on the earlier of:

21 (1) the date permanent directors are elected at an
22 election held under Section 49.102, Water Code; or

23 (2) the fourth anniversary of the date of the
24 appointment or reappointment.

25 (d) If Subsection (c) applies, the owner or owners of a
26 majority of the assessed value of the real property in the district
27 may submit a petition to the Texas Commission on Environmental

1 Quality requesting that the commission appoint as successor
2 temporary directors the five persons named in the petition. The
3 Texas Commission on Environmental Quality shall appoint as
4 successor temporary directors the five persons named in the
5 petition.

6 SECTION 4. Subchapter C, Chapter 8116, Special District
7 Local Laws Code, is amended by adding Sections 8116.104, 8116.105,
8 8116.106, and 8116.107 to read as follows:

9 Sec. 8116.104. GENERAL POWERS AND DUTIES. The district has
10 the powers and duties necessary to accomplish the purposes for
11 which the district is created.

12 Sec. 8116.105. MUNICIPAL UTILITY DISTRICT POWERS AND
13 DUTIES. The district has the powers and duties provided by the
14 general law of this state, including Chapters 49 and 54, Water Code,
15 applicable to municipal utility districts created under Section 59,
16 Article XVI, Texas Constitution.

17 Sec. 8116.106. AUTHORITY FOR ROAD PROJECTS. Under Section
18 52, Article III, Texas Constitution, the district may design,
19 acquire, construct, finance, issue bonds for, improve, operate,
20 maintain, and convey to this state, a county, or a municipality for
21 operation and maintenance macadamized, graveled, or paved roads, or
22 improvements, including storm drainage, in aid of those roads.

23 Sec. 8116.107. ROAD STANDARDS AND REQUIREMENTS. (a) A road
24 project must meet all applicable construction standards, zoning and
25 subdivision requirements, and regulations of each municipality in
26 whose corporate limits or extraterritorial jurisdiction the road
27 project is located.

1 (b) If a road project is not located in the corporate limits
2 or extraterritorial jurisdiction of a municipality, the road
3 project must meet all applicable construction standards,
4 subdivision requirements, and regulations of each county in which
5 the road project is located.

6 (c) If the state will maintain and operate the road, the
7 Texas Transportation Commission must approve the plans and
8 specifications of the road project.

9 SECTION 5. Chapter 8116, Special District Local Laws Code,
10 is amended by adding Subchapters D and E to read as follows:

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 8116.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
13 district may issue, without an election, bonds and other
14 obligations secured by:

15 (1) revenue other than ad valorem taxes; or

16 (2) contract payments described by Section 8116.153.

17 (b) The district must hold an election in the manner
18 provided by Chapters 49 and 54, Water Code, to obtain voter approval
19 before the district may impose an ad valorem tax or issue bonds
20 payable from ad valorem taxes.

21 (c) The district may not issue bonds payable from ad valorem
22 taxes to finance a road project unless the issuance is approved by a
23 vote of a two-thirds majority of the district voters voting at an
24 election held for that purpose.

25 Sec. 8116.152. OPERATION AND MAINTENANCE TAX. (a) If
26 authorized at an election held under Section 8116.151, the district
27 may impose an operation and maintenance tax on taxable property in

1 the district in accordance with Section 49.107, Water Code.

2 (b) The board shall determine the tax rate. The rate may not
3 exceed the rate approved at the election.

4 Sec. 8116.153. CONTRACT TAXES. (a) In accordance with
5 Section 49.108, Water Code, the district may impose a tax other than
6 an operation and maintenance tax and use the revenue derived from
7 the tax to make payments under a contract after the provisions of
8 the contract have been approved by a majority of the district voters
9 voting at an election held for that purpose.

10 (b) A contract approved by the district voters may contain a
11 provision stating that the contract may be modified or amended by
12 the board without further voter approval.

13 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

14 Sec. 8116.201. AUTHORITY TO ISSUE BONDS AND OTHER
15 OBLIGATIONS. The district may issue bonds or other obligations
16 payable wholly or partly from ad valorem taxes, impact fees,
17 revenue, contract payments, grants, or other district money, or any
18 combination of those sources, to pay for any authorized district
19 purpose.

20 Sec. 8116.202. TAXES FOR BONDS. At the time the district
21 issues bonds payable wholly or partly from ad valorem taxes, the
22 board shall provide for the annual imposition of a continuing
23 direct ad valorem tax, without limit as to rate or amount, while all
24 or part of the bonds are outstanding as required and in the manner
25 provided by Sections 54.601 and 54.602, Water Code.

26 Sec. 8116.203. BONDS FOR ROAD PROJECTS. At the time of
27 issuance, the total principal amount of bonds or other obligations

1 issued or incurred to finance road projects and payable from ad
2 valorem taxes may not exceed one-fourth of the assessed value of the
3 real property in the district.

4 SECTION 6. The following provisions of the Special District
5 Local Laws Code are repealed:

6 (1) Subchapter A1, Chapter 8116; and

7 (2) Section 8116.052.

8 SECTION 7. The East Montgomery County Municipal Utility
9 District No. 12 retains all the rights, powers, privileges,
10 authority, duties, and functions that it had before the effective
11 date of this Act.

12 SECTION 8. (a) The legislature validates and confirms all
13 governmental acts and proceedings of the East Montgomery County
14 Municipal Utility District No. 12 that were taken before the
15 effective date of this Act.

16 (b) This section does not apply to any matter that on the
17 effective date of this Act:

18 (1) is involved in litigation if the litigation
19 ultimately results in the matter being held invalid by a final court
20 judgment; or

21 (2) has been held invalid by a final court judgment.

22 SECTION 9. (a) The legal notice of the intention to
23 introduce this Act, setting forth the general substance of this
24 Act, has been published as provided by law, and the notice and a
25 copy of this Act have been furnished to all persons, agencies,
26 officials, or entities to which they are required to be furnished
27 under Section 59, Article XVI, Texas Constitution, and Chapter 313,

1 Government Code.

2 (b) The governor, one of the required recipients, has
3 submitted the notice and Act to the Texas Commission on
4 Environmental Quality.

5 (c) The Texas Commission on Environmental Quality has filed
6 its recommendations relating to this Act with the governor, the
7 lieutenant governor, and the speaker of the house of
8 representatives within the required time.

9 (d) All requirements of the constitution and laws of this
10 state and the rules and procedures of the legislature with respect
11 to the notice, introduction, and passage of this Act are fulfilled
12 and accomplished.

13 SECTION 10. This Act takes effect immediately if it
14 receives a vote of two-thirds of all the members elected to each
15 house, as provided by Section 39, Article III, Texas Constitution.
16 If this Act does not receive the vote necessary for immediate
17 effect, this Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 4654 was passed by the House on April 26, 2019, by the following vote: Yeas 124, Nays 15, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4654 was passed by the Senate on May 10, 2019, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor